

BOARD MEETING DATE: February 8, 2008

AGENDA NO.

PROPOSAL: Adopt Proposed Rule 407.1 - Carbon Monoxide Emissions from Permit Units.

SYNOPSIS: The proposed rule will require all new or modified permit units to install Best Available Control Technology (BACT) for Carbon Monoxide (CO) as was required by Regulation XIII until the AQMD was re-designated attainment for CO in May 2007. The proposed rule is consistent with the CO Maintenance Plan and Ozone Attainment Plan since recent evidence indicates that CO contributes to tropospheric ozone formation.

COMMITTEE: Stationary Source, November 16, 2007, Reviewed.

RECOMMENDED ACTION:

Adopt the attached resolution:

1. Adopting Rule 407.1 – Carbon Monoxide Emissions from Permit Units; and
2. Certifying the Negative Declaration for Proposed Rule 407.1 – Carbon Monoxide Emissions from Permit Units.

Barry R. Wallerstein, D.Env.
Executive Officer

EC:LT:LMB:RP:SH

Background

The South Coast Air Basin was recently re-designated as attainment for CO [Federal Register: May 11, 2007 (Volume 72, Number 91)] effective June 11, 2007. Sources with a net emission increase of CO are no longer subject to the requirements of the District's New Source Review (NSR) Regulation. NSR requirements including BACT, offsets, and modeling will no longer be applicable to these sources.

Staff has carefully evaluated the best policy approach for permitting sources that emit carbon monoxide. Although Prevention of Significant Deterioration (PSD) regulations will address the permitting of extremely large sources of carbon monoxide, it does not address the vast majority of the sources that the District permits. The question is how to

proceed for these sources in a fashion that is both health protective and recognizes the progress the basin has made in reducing emissions of carbon monoxide.

Carbon monoxide is a pollutant that is dangerous to public health. CO also plays a role in the formation of tropospheric ozone (National Academy, 1999). All combustion sources that have been permitted in the last decade have included controls for carbon monoxide that has been effective in minimizing the emissions of CO. The BACT standard for CO has been a major force in controlling and reducing CO emissions.

The continuity of requiring CO BACT keeps in place technologies and techniques that have proven reliability and safeguards against potential hot spots from new sources. Equipment potentially impacted by the proposed rule would be new or modified combustion equipment, primarily that equipment using combustion modifications to meet emission requirements.

Examples of this equipment include boilers, heaters, furnaces, and perhaps afterburners. Combustion equipment that uses an oxidation catalyst for VOC control, such as a gas turbine or an internal combustion engine would likely not be affected because the same catalyst is also the BACT control technique for CO.

Proposed Rule

Proposed Rule 407.1 – Carbon Monoxide Emissions from Permit Units, requires that all applications that have not received a Permit to Construct or Permit to Operate, if a Permit to Construct was not issued before the date of adoption of this proposed rule install BACT if there is a net emission of one pound per day or greater of CO. The proposed rule merely continues the requirement of current BACT for CO that was required by Regulation XIII prior to the re-designation as attainment.

CEQA Analysis

Pursuant to State California Environmental Quality Act (CEQA) Guidelines, the AQMD is the Lead Agency and will prepare the appropriate CEQA document to address the potential environmental impacts from implementing the requirements in Proposed Rule 407.1. The document will be circulated to the public for review and comment and will be available online, at the SCAQMD's Public Information Center, or by contacting the SCAQMD staff via phone, fax or e-mail. Comments on the CEQA document will be responded to and included in the final CEQA document.

Socioeconomic Impacts

The socioeconomic impact of PR 407.1 is currently being assessed and will be made available 30 days prior to the public hearing.

Resource Impacts

Proposed Amended Rule 407.1 requirements can be implemented within the current staffing levels. No increases are anticipated with the proposed rule as it continues prior practice.

Attachments

- A. Rule Development Process
- B. Key Contacts
- C. Resolution
- D. Rule Language
- E. CEQA – Notice of Exemption
- F. Socioeconomic Assessment